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SUBJECT: CHILEANS GENERALLY UPBEAT ON UNASUR OUTCOME

REF: (A) SANTIAGO 852, (B) SANTIAGO 851
(C) SANTIAGO 846

11. (SBU) SUMMARY: Political commentators we consulted over the past two days tended to view the emergency UNASUR meeting as a positive development, particularly the nudging of Bolivia toward a political dialogue. They regard the UNASUR consensus as a Chilean foreign policy success for having tamed the out-spoken Chavez and helped a neighbor in need. UNASUR has been bolstered as well. However, opponents of the Bachelet administration see the accord as a setback for the OAS and its role in the hemisphere. END SUMMARY.

UNASUR Role Enhanced

12. (SBU) The Editor of El Mercurio's online news service Sebastian Campana described the summit as very brief, effective, and to-the-point. He told us President Bachelet's prestige rose as a result of her leadership and management of the summit, including among her South American colleagues. He agreed with other observers, that it was better for UNASUR to support Evo Morales than to let Chavez unilaterally intervene, which is what would have happened without the summit.

13. (SBU) Campana said that the UNASUR leaders carefully tried to "control" Chavez so that he would not divert the attention from what they had come to do -- address Bolivia's crisis. He shared that El Mercurio learned a few days ago that President Morales had called President Bachelet and asked for the emergency summit. Upon hearing this Chavez, "who cannot keep anything to himself," immediately publicized the plan, which stole the limelight from Bachelet. He noted that El Mercurio had decided to make UNASUR its second lead story largely because UNASUR had a large Chavez component ("tenia olor de Chavez"), which the paper did not want to highlight. (The U.S. financial crisis was the lead story.)

14. (SBU) Campana said the event demonstrated a clear signal of support by the South American leaders to the recently-created UNASUR, validating the existence of the organization that in Chile is not yet "legal," (i.e., Congress has yet to fund it). Campana also felt that the successful UNASUR summit had marked the decline of the OAS, an organization with a U.S. "apellido," or last name.

Containing Chavez Worked, Leaders Sought Consensus

¶5. (SBU) Journalist and international commentator Libardo Buitrado, who covered the UNASUR meeting at La Moneda Presidential Palace, told us there was a positive and "prone to proposals" atmosphere at the event. Contrary to expectations, the leaders showed an optimistic and serene attitude. Despite President Chavez's incendiary language upon his arrival, the Chilean and Brazilian Foreign Ministers helped influence and keep Chavez in line and to prevent him from commenting irresponsibly to the press during or after the event. In addition to Lula's strong role, Presidents Correa and Lugo also contributed in a discreet way in setting a peaceful atmosphere.

¶6. (SBU) Buitrago (a Colombian, but long-time resident of Chile) downplayed the media's assessment of Uribe and Bachelet's greeting, which was described as "cool." He said that there was no tension between them and that Uribe was treated in the same manner as the other visiting leaders. He added that for journalists covering the event, this summit differed considerably from the Ibero American Summit in Santiago last November, notably in terms of a better atmosphere and organization.

Opposition: Critical OAS Left Out

¶7. (SBU) The Chief of Political Studies at the RN party-affiliated, center-right Instituto Libertad think tank, Jose Miguel Izquierda, had a different view. He told us he is not supportive of the UNASUR concept, and lamented that the OAS, which is the hemisphere's institution to resolve such problems, appears to have been left without a role. He added that the UNASUR members tend to share a common ideology that is supportive of Evo Morales. He noted a clear double standard: when Gonzalo Sanchez de Losada had similar problems, none of these same countries came to his rescue.

¶8. (SBU) He felt the UNASUR event had bolstered Brazil's strategic vision of regional leadership and helped lower tensions in Bolivia. Morales both won and lost with UNASUR. He lost because the Bolivian opposition is now more legitimate and will benefit from foreign observers closely tracking developments. Now Evo would not be able to dismiss the opposition. He won because the 12 member states agreed not to recognize any change in regime that might emerge through a government collapse or "civil coup."

Party Line: A Boost to Chilean Leadership

¶9. (U) Former Foreign Minister Ignacio Walker described the UNASUR meeting in a media interview as a great success, positive for the region, and a boost to President Bachelet and Chile's foreign policy. He said that Chile reacted quickly to a complex situation in Bolivia and generated an impressive turnout of leaders on short notice. President Lagos' former minister noted UNASUR produced a clear message in support of democracy through political dialogue.

A Sigh of Relief

¶10. (SBU) Comment: Most Chileans are probably relieved President Chavez was not the main story of the emergency summit, and Chile, particularly Bachelet, came out well in their view. Clearly the GOC was better prepared to deal with the maverick Chavez than during the Ibero American summit, when the King of Spain uttered his famous line. While there is concern over a lack of an OAS role, GOC officials say they are planning for OAS involvement in Bolivia.

SIMONS